

Message Text

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12

ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01

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E.O. 11652: N/A

TAGS: AORG PORG EFIN UN CU

SUBJ: UN FINANCES - INFLATION AND CURRENCY INSTABILITY

REF: A-1001 (USUN)

1. USUN RECEIVED FROM UKUN COPY OF LETTER BEING CIRCULATED BY PERMANENT MISSION OF CUBA REGARDING SERIES OF PROPOSALS CUBANS PLAN TO TABLE DURING 29TH SESSION OF GENERAL ASSEMBLY. CUBAN MISSION IS CONTINUING ITS CAMPAIGN TO ASSIGN RESPONSIBILITY FOR EFFECTS OF INFLATION AND CURRENCY INSTABILITY TO DEVELOPED COUNTRIES AND APPEARS TO BE INTRODUCING SOME NEW MISCHIEF-MAKING VARIATIONS ON THIS THEME.

2. FIRST TWO PROPOSALS CALL FOR COMPENSATION FROM DEVELOPED COUNTRIES BUT IS WORDED IN SUCH A WAY AS TO EXCLUDE USSR AND EASTERN EUROPEAN COUNTRIES. THIRD PROPOSAL SEEMS TO SUGGEST THAT UN BANK DEPOSITS AND INVESTMENTS BE PLACED IN SOVIET BLOC AND BE DESIGNED TO FINANCE DEVELOPMENT AMONG LDCS. FINALLY, CUBANS APPARENTLY WANT LIFE OF WORKING GROUP ON CURRENCY INSTABILITY TO CONTINUE AND ASK THAT IT STUDY A UN UNIT OF ACCOUNT.

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3. COMMENT: THESE PROPOSALS ARE OF COURSE TOTALLY UNACCEPTABLE.

OUR INITIAL REACTION IS TO FIGHT THEM ALL THE WAY WITHOUT COMPROMISE. DEPARTMENT'S INSTRUCTIONS ARE REQUESTED. TEXT OF CUBAN LETTER FOLLOWS:

QUOTE

I HAVE PLEASURE IN ADDRESSING YOU, ON INSTRUCTIONS FROM MY FOREIGN MINISTRY, IN ORDER TO INFORM YOU OF, AND REQUEST YOUR SUPPORT FOR, THE PROPOSALS WHICH THE CUBAN DELEGATION INTENDS TO SUBMIT TO THE FIFTH COMMITTEE AT THE TWENTY-NINTH SESSION OF THE GENERAL ASSEMBLY.

IN ACCORDANCE WITH THE VIEWS EXPRESSED BY THE CUBAN DELEGATION AT THE MEETINGS OF THE FIFTH COMMITTEE DURING THE TWENTY EIGHTH SESSION AND OF THE WORKING GROUP ON CURRENCY INSTABILITY SET UP AT THAT TIME BY A DECISION OF THE FIFTH COMMITTEE, WE PLAN TO SUBMIT THREE DRAFT RESES AT THE TWENTY-NINTH SESSION. THEY CONCERN THE FOLLOWING TOPICS:

1.- COMPENSATION FOR THE LOSSES SUFFERED BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AS A RESULT OF THE READJUSTMENTS - AND FLUCTUATIONS IN CURRENCIES, BY THE DEVELOPED COUNTRIES - WHOSE CURRENCIES ARE UNDERGOING THESE READJUSTMENTS AND FLUCTUATIONS:

2.- COMPENSATION FOR THE LOSSES SUFFERED BY ORGANIZATIONS OF THE UNITED NATIONS SYSTEM AS A RESULT OF INFLATION, BY THE DEVELOPED COUNTRIES IN WHICH THESE LOSSES OCCUR AND IN PROPORTION TO THEM:

3.- LIQUIDATION OF THE BANK DEPOSITS AND INVESTMENTS OF ORGANIZATIONS OF THE UNITED NATIONS SYSTEM IN CURRENCIES WHICH ARE NOT IN A STATE OF CRISIS AND THEIR USE TO FINANCE THE DEVELOPMENT OF THE DEVELOPING COUNTRIES.

IF THE FIFTH COMMITTEE CONSIDERS THAT FURTHER STUDIES ARE REQUIRED OF THE PROPOSAL TO ESTABLISH A NEW UNIT OF ACCOUNT IN THE UNITED NATIONS, THE CUBAN REPRESENTATIVES IN THE FIFTH COMMITTEE PLAN TO SUBMIT A DRAFT DECISION TO THE EFFECT THAT:

4.- "THE WORKING GROUP ON CURRENCY INSTABILITY SHOULD CONTINUE TO STUDY THE POSSIBILITY OF ESTABLISHING A NEW UNIT OF ACCOUNT IN THE UNITED NATIONS AND CONTRIBUTIONS AND ADVANCES BY MEMBERS AND NON-MEMBERS IN ANY FREELY CONVERTIBLE CURRENCY LIMITED OFFICIAL USE

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SHOULD BE ACCEPTED".

IN ANTICIPATION OF YOUR REPLY TO THE FOREGOING, I TAKE THIS OPPORTUNITY TO RENEW TO YOU THE ASSURANCES OF MY HIGHEST CONSIDERATION.

SIGNED (TEOFILO ACOSTA

CHARGE D' AFFAIRES A.I.UNQUOTE
SCHAUFLE

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